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DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF ENVIRONMENTAL PROTECTION**

333 W. Nye Lane, Room 138  
Carson City, Nevada 89706

**MEMORANDUM**

**DATE:** March 1, 2002

**TO:** All Municipalities

**FROM:** Morris B. Kanowitz, SRF Program Manager  
Bureau of Water Pollution Control

**SUBJECT:** FY 2003 State Water Pollution Control Revolving Fund Priority List

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We are in the process of preparing a Priority List for projects to be funded from the State Water Pollution Control Revolving Fund (SRF) for Fiscal Year 2003.

The purpose of the SRF is to provide loans at or below market rate and to provide other forms of financial assistance to municipalities to assist them in financing the construction of wastewater treatment works and projects to control non-point sources of water pollution.

The types of financial assistance available include:

- 1) Loans at or below market rate
- 2) Loan guarantees
- 3) Purchase bond insurance to guarantee debt service retirement
- 4) Refinancing existing debt obligations where the initial debt was incurred after March 5, 1987 and the project complied with all the requirements necessary to receive a loan.

Under the revolving loan fund concept a fund is capitalized with a combination of federal grants and state matching funds (in the amount of 20% of the federal grants). Nevada's matching funds are provided by the sale of state bonds, which are secured by the loan agreements with local governments and the full faith and credit of the State.

Note: This letter is for electronic distribution. The original signed letter is on file at the address shown on the letterhead.

Authorization for funding capitalization grants ended in Federal Fiscal Year 1994. However, Congress has appropriated funds on an annual basis since 1994. Although the status of federal funding is uncertain at this time, we are preparing a priority list so that we will be able to accept capitalization grants if they become available. Repayments to the revolving loan fund are building a balance that is available to make new loans.

The loan repayment periods range from 10 to 20 years at interest rates ranging from 3.125% to 4.000%.

A low interest loan can yield as much financial assistance as a grant of 30 to 40% of project costs.

The loan program is quite flexible both in terms of financing strategies and types of projects that can be funded.

Eligible projects include sewage treatment plants, collection systems, interceptors, infiltration/inflow correction, sludge management projects, storm water control projects, erosion control and other nonpoint source control projects.

Project development may best be considered as a three-step process:

Step 1 - Facilities planning to determine the type and extent of project you should build and the environmental review of the proposed project.

Step 2 - Project design including the preparation of construction drawings, specifications, and other contract documents.

Step 3 - Building of the project.

After the Federal government appropriates funds for the grants for the SRF program, EPA allots the funds to the states based on a formula set by law. Each State, in turn, prepares a list of all projects to be funded and ranks the projects in order of their importance. The resulting list is called the State Project Priority List. Your project must be included on the list in order for you to obtain financial assistance.

If you have a need to construct a wastewater pollution control project and would like financial assistance from the SRF please complete the form titled "Revolving Loan Fund Project Priority List Information" and submit it no later than **April 19, 2002**. The form is on our website at: <http://ndep.state.nv.us/bwpc/srlf03.htm>. The information on the form will be used to determine the priority ranking of your project.

It is important that we receive an accurate assessment of your needs to construct projects (scheduling is particularly important) so that we can develop financial strategies to meet these needs.

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If you have any questions you may go to our website at:

<http://ndep.state.nv.us/bwpc/srlf01.htm>

or contact me at:

Nevada Division of Environmental Protection

Bureau of Water Pollution Control

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